
HOUSE BILL 1891

State of Washington

54th Legislature

1995 Regular Session

By Representatives Smith, Wolfe and L. Thomas

Read first time 02/14/95. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to state-chartered financial institutions parity
2 with federally chartered financial institutions; amending RCW 30.04.111
3 and 30.08.180; and reenacting and amending RCW 30.08.190.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 30.04.111 and 1994 c 92 s 12 are each amended to read
6 as follows:

7 The total loans and extensions of credit by a bank or trust company
8 to a person outstanding at any one time shall not exceed twenty percent
9 of the capital and surplus of such bank or trust company. The
10 following loans and extensions of credit shall not be subject to this
11 limitation:

12 (1) Loans or extensions of credit arising from the discount of
13 commercial or business paper evidencing an obligation to the person
14 negotiating it with recourse;

15 (2) Loans or extensions of credit secured by bonds, notes,
16 certificates of indebtedness, or treasury bills of the United States or
17 by other such obligations wholly guaranteed as to principal and
18 interest by the United States;

1 (3) Loans or extensions of credit to or secured by unconditional
2 takeout commitments or guarantees of any department, agency, bureau,
3 board, commission, or establishment of the United States or any
4 corporation wholly owned directly or indirectly by the United States;

5 (4) Loans or extensions of credit fully secured by a segregated
6 deposit account or accounts in the lending bank;

7 (5) Loans or extensions of credit secured by collateral having a
8 readily ascertained market value of at least one hundred fifteen
9 percent of the outstanding amount of the loan or extension of credit;

10 (6) Loans or extensions of credit secured by bills of lading,
11 warehouse receipts, or similar documents transferring or securing title
12 to readily marketable staples shall be subject to a limitation of
13 thirty-five percent of capital and surplus in addition to the general
14 limitations, if the market value of the staples securing each
15 additional loan or extension of credit at all times equals or exceeds
16 one hundred fifteen percent of the outstanding amount of the loan or
17 extension of credit. The staples shall be fully covered by insurance
18 whenever it is customary to insure the staples;

19 (7) The purchase of bankers' acceptances of the kind described in
20 section 13 of the federal reserve act and issued by other banks shall
21 not be subject to any limitation based on capital and surplus;

22 (8) The unpaid purchase price of a sale of bank property, if
23 secured by such property.

24 For the purposes of this section "capital" shall include the amount
25 of common stock outstanding and unimpaired, the amount of preferred
26 stock outstanding and unimpaired, and capital notes or debentures
27 issued pursuant to chapter 30.36 RCW.

28 For the purposes of this section "surplus" shall include capital
29 surplus, reflecting the amounts paid in excess of the par or stated
30 value of capital stock, or amounts contributed to the bank other than
31 for capital stock, and ~~((amounts transferred to surplus from))~~
32 undivided profits ~~((pursuant to resolution of the board of directors))~~.

33 The term "person" shall include an individual, sole proprietor,
34 partnership, joint venture, association, trust, estate, business trust,
35 corporation, sovereign government or agency, instrumentality, or
36 political subdivision thereof, or any similar entity or organization.

37 The director may prescribe rules to administer and carry out the
38 purposes of this section, including without limitation rules to define
39 or further define terms used in this section and to establish limits or

1 requirements other than those specified in this section for particular
2 classes or categories of loans or extensions of credit, and to
3 determine when a loan putatively made to a person shall, for purposes
4 of this section, be attributed to another person. In adopting the
5 rules, the director shall be guided by rulings of the comptroller of
6 the currency that govern lending limits applicable to national
7 commercial banks.

8 **Sec. 2.** RCW 30.08.180 and 1994 c 92 s 60 are each amended to read
9 as follows:

10 Every bank and trust company shall make at least three regular
11 reports each year to the director, as of the dates which he or she
12 shall designate, according to form prescribed by him or her, verified
13 by the president, manager or cashier and attested by at least two
14 directors, which shall exhibit under appropriate heads the resources
15 and liabilities of such corporation. The dates designated by the
16 director shall be the dates designated by the comptroller of the
17 currency of the United States for reports of national banking
18 associations. (~~Each such report in condensed form, to be prescribed~~
19 ~~by the director, shall be published once in a newspaper of general~~
20 ~~circulation, published in a place where the corporation is located, or~~
21 ~~if there be no newspaper published in such place, then in some~~
22 ~~newspaper published in the same county.))~~

23 Every such corporation shall also make such special reports as the
24 director shall call for.

25 **Sec. 3.** RCW 30.08.190 and 1994 c 256 s 51 and 1994 c 92 s 61 are
26 each reenacted and amended to read as follows:

27 (1) Every regular report shall be filed with the director within
28 thirty days from the date of issuance of the notice. Every special
29 report shall be filed with the director within such time as shall be
30 specified by him or her in the notice therefor.

31 (2) The director shall provide a copy of any regular report free of
32 charge to any person that submits a written request for the report.

33 (3) Every bank and trust company which fails to file any report,
34 required to be filed under subsection (1) of this section and within
35 the time specified, shall be subject to a penalty of fifty dollars per
36 day for each day's delay. A civil action for the recovery of any such

1 penalty may be brought by the attorney general in the name of the
2 state.

--- END ---